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INSURANCE SOLD, NOT BOUGHT SAYS SMITH

RISK WRITING ILLS CURED BY AVOIDING COMMON MISTAKES

Time, Money, Effort Will Be Saved By Fewer Cancelations

Elimination of common errors in writing crop insurance applications by more careful attention to regulations and procedures is requested of county committees by Leroy K. Smith, Manager of the Corporation.

"A great deal of time, money, and effort can be saved," said Smith, referring to the forthcoming sales campaign, "if field workers will guide themselves by past experiences and by an understanding of the types of cases we receive here in Washington."

Generally, cases referred to Washington fall into two classes -- requests for cancellation of the insurance contract and demands for acceptance of insurance. Many such cases can be corrected if they are uncovered early enough. Field workers should remember "the time element is the essence of the crop insurance contract for the premium is considered earned upon the seeding of the crop."

Education and understanding by the farmer will remedy most of these ills, Smith said, pointing out that field workers should first do a thorough job of selling and informing the grower about insurance before signing him to a contract.

READ THE NEWS!

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The Corporation has had several cases involving mimeographed applications. In some cases the application form was mimeographed in PART but not in full. Some have even omitted the commodity note section. In all such instances the Corporation has refused to accept the contract. This policy will be followed in all such cases where counties are forced to resort to mimeographing of forms through shortage of printed forms, the Manager says.

"Where such application forms are mimeographed," the Manager says, "be sure that the COMPLETE form is mimeographed IN FULL to assure acceptance of the contract by the Corporation."

A number of requests are received each year from individuals who want their contracts canceled on grounds they signed the contract in blank or they didn't understand the cost, the guaranteed yield, or other factors involved in insurance.

(See WRITING ILLS page 4)

MORE EMPHASIS ON 50 PERCENT PLAN URGED BY MANAGER

3 Year Contract Makes Distribution More Important

By Leroy K. Smith
FCIC Manager

It is a familiar expression among insurance people that "Insurance is sold---not bought." In the majority of cases, over-the-counter methods of the grocery store are not suitable for selling insurance.

Ordinarily, people do not come and ask for insurance unless they have more than usual benefits to gain. I believe it is significant that some insurance companies do not permit their agents to close contracts in cases where the application is submitted without solicitation but require such cases to be approved first by the home office.

Solicitation can be made in the county office when producers come in for other purposes. Some time well in advance of the closing date the lists should be studied and those who have not been contacted should be noted. Some method of reaching them by both direct mail and personal visit should be devised.

Even though we are handicapped this year we can by various methods put on a cam-

(See SMITH page 4),

FEDERAL CROP INSURANCE CORPORATION - BRANCH OFFICE PROGRESS REPORTS
As of April 30, 1942

| 1942 Wheat Sign-up | | | | | | | 1941 Indemnities | | | | | | |
|--------------------------------|------------------------|------------------------------|-----------------------------------|--|---------------------------------|---------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|--|--|--|
| Applications received (number) | Farms insured (number) | Estimated premiums (bushels) | Estimated insured acreage (acres) | Estimated insured production (bushels) | Total indemnity claims (number) | Total premium payments (number) | Total indemnity claims (bushels) | Total premium payments (bushels) | Total indemnity claims (bushels) | Total premium payments (bushels) | Estimated insured production (bushels) | | |
| RICHMOND OFFICE: | | | | | | | | | | | | | |
| Delaware | 724 | 804 | 8,100 | 15,189 | 193,861 | 69 | 584 | 4,330 | 5,262 | 18,262 | 128,524 | | |
| Maryland | 2,240 | 2,474 | 31,531 | 58,769 | 831,869 | 152 | 1,690 | 9,758 | 9,758 | 1,299 | 499,900 | | |
| New Jersey | 272 | 273 | 1,527 | 3,049 | 48,198 | 23 | 155 | 1,299 | 1,299 | 959 | 30,749 | | |
| New York | 1,782 | 1,818 | 14,118 | 21,477 | 339,149 | 157 | 965 | 9,081 | 7,084 | 7,084 | 171,849 | | |
| North Carolina | 1,809 | 2,008 | 7,344 | 14,717 | 121,883 | 39 | 447 | 1,320 | 2,543 | 2,543 | 59,369 | | |
| Pennsylvania | 7,093 | 7,425 | 50,429 | 87,714 | 1,340,442 | 1,162 | 7,173 | 57,843 | 44,513 | 44,513 | 1,234,562 | | |
| Virginia | 2,582 | 2,799 | 23,051 | 44,822 | 554,488 | 468 | 2,481 | 20,440 | 20,536 | 20,536 | 519,461 | | |
| West Virginia | 530 | 567 | 4,701 | 8,294 | 100,849 | 15 | 88 | 897 | 892 | 892 | 16,846 | | |
| Total | 17,022 | 18,168 | 140,801 | 254,031 | 3,520,739 | 2,085 | 13,583 | 104,988 | 100,051 | 100,051 | 2,661,260 | | |
| CHICAGO OFFICE: | | | | | | | | | | | | | |
| Illinois | 35,262 | 45,393 | 614,071 | 696,682 | 9,223,309 | 5,548 | 32,898 | 442,914 | 417,562 | 417,562 | 7,047,454 | | |
| Indiana | 32,218 | 36,990 | 321,447 | 345,436 | 4,562,733 | 1,088 | 30,544 | 35,393 | 301,616 | 301,616 | 4,589,032 | | |
| Iowa | 8,694 | 10,297 | 176,589 | 132,346 | 1,776,656 | 5,144 | 6,093 | 689,450 | 88,208 | 88,208 | 1,135,033 | | |
| Kentucky | 889 | 947 | 12,846 | 14,237 | 1,42,157 | 29 | 600 | 999 | 8,848 | 8,848 | 110,884 | | |
| Michigan | 32,731 | 35,070 | 199,605 | 239,624 | 3,649,888 | 2,108 | 13,213 | 83,201 | 83,228 | 83,228 | 1,741,495 | | |
| Ohio | 38,884 | 43,762 | 357,227 | 370,583 | 5,389,534 | 3,220 | 31,258 | 110,566 | 289,770 | 289,770 | 4,806,489 | | |
| Tennessee | 1,810 | 1,923 | 10,499 | 19,612 | 168,707 | 18 | 188 | 473 | 1,618 | 1,618 | 26,223 | | |
| Total | 150,488 | 174,282 | 1,692,284 | 1,818,560 | 24,922,984 | 17,155 | 114,794 | 1,362,996 | 1,190,850 | 1,190,850 | 19,456,610 | | |
| KANSAS CITY OFFICE: | | | | | | | | | | | | | |
| Arkansas | 39 | 47 | 141 | 410 | 2,779 | 17 | 38 | 1,445 | 352 | 352 | 7,582 | | |
| Colorado | 3,556 | 5,506 | 427,889 | 231,666 | 1,875,381 | 757 | 4,976 | 103,065 | 353,396 | 353,396 | 1,561,018 | | |
| Kansas | 42,111 | 58,845 | 2,843,542 | 2,320,758 | 23,243,710 | 20,863 | 53,993 | 2,795,220 | 3,073,993 | 3,073,993 | 19,814,436 | | |
| Missouri | 35,255 | 42,174 | 650,787 | 754,855 | 8,140,767 | 13,549 | 20,883 | 1,639,770 | 267,819 | 267,819 | 3,767,216 | | |
| Nebraska | 54,024 | 73,762 | 3,218,070 | 1,794,903 | 19,511,912 | 44,355 | 57,272 | 7,079,284 | 2,368,893 | 2,368,893 | 13,519,901 | | |
| New Mexico | 350 | 450 | 62,493 | 31,682 | 200,705 | 94 | 232 | 55,632 | 31,928 | 31,928 | 112,973 | | |
| Oklahoma | 21,356 | 28,242 | 1,183,660 | 1,303,815 | 11,678,169 | 10,150 | 22,855 | 1,295,494 | 751,383 | 751,383 | 7,500,561 | | |
| Texas | 9,212 | 11,448 | 1,157,467 | 724,920 | 4,946,869 | 5,578 | 9,278 | 1,788,476 | 958,750 | 958,750 | 4,114,348 | | |
| Total | 166,003 | 220,474 | 9,544,049 | 7,163,019 | 69,600,292 | 95,363 | 169,627 | 14,698,386 | 7,806,514 | 7,806,514 | 50,428,435 | | |
| MINNEAPOLIS OFFICE: | | | | | | | | | | | | | |
| Minnesota | 18,059 | 21,888 | 444,982 | 425,658 | 4,365,355 | 5,686 | 13,584 | 404,449 | 226,285 | 226,285 | 2,479,423 | | |
| Montana | 1,595 | 3,156 | 521,506 | 276,596 | 2,370,414 | 286 | 3,012 | 59,105 | 416,087 | 416,087 | 1,979,452 | | |
| North Dakota | 9,351 | 14,502 | 1,125,653 | 865,478 | 6,850,941 | 964 | 18,937 | 192,685 | 1,046,759 | 1,046,759 | 6,967,291 | | |
| South Dakota | 5,808 | 12,911 | 842,858 | 428,107 | 2,750,078 | 3,833 | 12,591 | 538,373 | 847,604 | 847,604 | 2,586,369 | | |
| Wisconsin | 2,793 | 2,925 | 19,904 | 17,588 | 211,571 | 339 | 640 | 11,615 | 3,818 | 3,818 | 41,085 | | |
| Wyoming | 572 | 954 | 91,502 | 58,587 | 363,679 | 108 | 1,296 | 17,264 | 127,052 | 127,052 | 541,285 | | |
| Total | 28,178 | 56,326 | 3,046,405 | 2,072,064 | 16,912,038 | 11,216 | 50,060 | 1,223,491 | 2,667,605 | 2,667,605 | 14,592,205 | | |
| SPOKANE OFFICE: | | | | | | | | | | | | | |
| Arizona | 183 | 414 | 6,741 | 9,636 | 1,58,921 | 99 | 140 | 29,559 | 2,450 | 2,450 | 70,637 | | |
| California | 2,354 | 4,536 | 540,862 | 411,938 | 5,522,294 | 1,299 | 2,210 | 732,752 | 163,758 | 163,758 | 2,197,865 | | |
| Idaho | 7,500 | 11,295 | 360,750 | 421,580 | 7,254,908 | 1,326 | 9,430 | 380,257 | 204,776 | 204,776 | 4,502,482 | | |
| Nevada | 94 | 97 | 1,879 | 1,464 | 28,981 | 20 | 102 | 1,607 | 1,913 | 1,913 | 32,616 | | |
| Oregon | 3,809 | 6,098 | 310,443 | 349,446 | 6,013,723 | 1,301 | 4,657 | 155,523 | 216,239 | 216,239 | 4,022,613 | | |
| Utah | 5,034 | 6,068 | 181,002 | 172,290 | 5,228,696 | 365 | 2,984 | 24,421 | 60,946 | 60,946 | 892,364 | | |
| Washington | 3,355 | 5,661 | 389,129 | 552,368 | 9,548,308 | 459 | 3,878 | 117,013 | 230,661 | 230,661 | 5,465,648 | | |
| Total | 22,329 | 34,169 | 1,290,806 | 1,918,722 | 31,065,831 | 4,869 | 23,401 | 1,441,122 | 880,743 | 880,743 | 17,184,225 | | |
| GRAND TOTAL | 394,030 | 503,529 | 16,214,345 | 13,226,346 | 146,031,884 | 130,688 | 371,475 | 18,830,973 | 12,645,763 | 12,645,763 | 104,325,735 | | |

UNABATED SELLING CHIEF FACTOR IN N.D. RISK DRIVE

*Direct Mail, Personal
Contacts Used In
Ramsey County*

Continuous selling, starting six months before the deadline, was one of the primary factors that enabled Ramsey County to lead all other North Dakota counties in the number of spring wheat farms insured for 1942, R. C. Lake, county committee chairman, reports.

Ramsey County insured 1,435 farms, starting its campaign September 6, last, and continuing it through the last day of the signup period, February 28, last.

"Our success is first due to the fact that continuous effort was put forth in approaching our cooperators," Lake said. "It was not considered as an intermittent job, and second we at all times attempted to explain and clarify the program to our respective clients so they had a thorough understanding of it as it applied to their individual farm."

The committee used 3,100 copies of pamphlets and other printed information material, which was distributed by mail and at meetings. Here are some of the principles on which the county operated:

Designated clerks in the county office talked insurance to every farmer calling at the office.

Educational meetings held early in the campaign. No immediate results were apparent but their effectiveness was proven later. Signup meetings held locally in each district two or three weeks before the deadline.

Eight direct mail cards and letters explaining varied provisions of the program, warning of the deadline, and citing insured production and pre-

UNCHANGED REGULATIONS IS AIM OF CORPORATION

Efforts will be made to make the 1943 Wheat Regulations stand with a minimum of changes in future years, the Corporation announces.

It is expected that some minor changes probably will have to be made from time to time, but basically, the Regulations will remain virtually unchanged without resorting to rewriting them from year to year. When any changes are made, supplements will be issued.

Among the changes for the 1943 insurance year is that placing the acreage report on a county basis instead of for individual farms. The same procedure will be followed with respect to premiums and insured production totals.

No reports will go to the farmer as in the past.

Michigan—Drought, winterkill and wet weather were the chief causes of loss in Michigan under the 1941 insurance program, Maurice A. Doan, state AAA chairman, reported. More than 35,000 Michigan farmers have been insured for 1942.

mium costs for individual farms distributed at intervals.

News stories and radio broadcasts released "almost weekly" through the entire period starting the first week of September, 1941.

A joint educational meeting for county and community committeemen, held early in the campaign

Applications mailed absentee owners late in the campaign when final signup meetings also were held. In seven townships where the signup was light, representatives canvassed the area.

(See N. D. DRIVE page 5)

NOTE LIABILITY IN TENANT CASES DEFINED BY FCIC

*Clarified Ruling Also
Includes Indemnity
Payments*

A more detailed explanation of who is liable for payment of the commodity note and who is entitled to the indemnity payment in cases where the tenant leaves the farm has been made by the Corporation.

The persons having the insured interest at the time of the beginning of the planting of the crop shall be responsible for payment of the note in those cases where the tenant leaves the farm after signing the application and the beginning of the planting of the crop.

If the tenant leaves the farm after the beginning of the planting of the crop and before the beginning of harvest or time of loss, the interest in the crop shall be automatically transferred to the individual acquiring the interest. The transferee then will be liable for the payment of the note, but, if such collection cannot be made from the transferee, the individual who signed the note and who had the interest in the crop at the beginning of planting will be held liable for payment.

If the tenant leaves the farm after the beginning of harvest or the time of loss, payment of the indemnity will be made to the person having the interest in the crop at the beginning of harvest or the time of loss. Such person also will be liable for payment of the premium. However, if that person is a transferee and the premium payment cannot be collected from him, the individual who signed the note at the beginning of planting will be responsible for payment.

"In these cases," the Corporation says, "it should be understood that an interest existing by virtue of a creditor re-

(See LIABILITY page 4)

HIGH GARDEN GOAL

The 1942 national goal for farm gardens is 5,760,000 gardens. This compares with 4,850,000 in 1941. Victory gardens are an important part of each community's war production plans. Special victory garden conferences have been held in a number of States. State Governors are, by proclamation, setting aside a special "Garden Week." Foods that we grow rather than buy, not only make possible better nutrition and lower costs of living, but this home production also relieves transportation which is vitally needed in the war effort.

WRITING ILLS

(Cont'd. from page 1)

The Corporation in such cases refuses to cancel and holds the grower to the contract.

Then, too, there are frequent cases where farmers appeal for insurance after passage of the deadline, advancing the argument they didn't know they were supposed to apply before a specified date. This, Smith says, shows a lack of education on the part of the county committee and community committeeman just as the contention of some farmers that they signed their contracts in blank shows a lack of education and poor preparation before attempting to sell the grower.

The best results are achieved, a study of operations in a number of counties reveals, when the community committeeman first acquaints himself with all factors involved in insuring each individual before contacting him personally. And when he does visit the grower he has with him the individual's application COMPLETELY filled out except for the signature.

Applications signed after the deadline have been refused and the Manager says, much time, effort, money, and paper could be saved if field workers would follow the policy of refusing applications at the source after the deadlines.

Requests for cancelation on claims by the farmer that the yield and rate is not correct

(See WRITING ILLS page 5)

SMITH
(Cont'd from page 1)

paign as good or better than in previous years. In planning our campaign, I believe we should consider two important factors. One is the 50-percent plan. Have we pushed this plan enough? Isn't it possible that we might get many more participants if we emphasized the 50-percent plan because, after all, 50-percent insurance has much to commend it?

First, it will guarantee the grower the cost of production. At least he won't lose his investment although he may not make a profit. Secondly, many farmers in the past have refused insurance for reasons of costs involved in the 75-percent plan. Have we, in such cases, tried to sell him 50-percent insurance? Maybe he would take the smaller protection at a lower cost. Most counties have written little or no 50-percent insurance. It would seem that this type of protection had not been adequately presented in those cases where the farmers did not want to pay the cost of 75-percent protection.

Now that we are going to write a three year contract for wheat farmers we should stop and think about the kind of participation we have been getting for the past four years and the kind we should get for the next three years.

Has the past participation for the county been satisfactory? Have the insured farmers been fairly representative of all wheat farmers in the county or have we been signing up the poorer farmers only? The time to avoid some kind of losses is at the time of making the contract. As individuals we usually consider carefully before signing contracts the chances for gain or loss because after the contract is signed we are bound by its terms.

Likewise, with writing insurance after the contract is made, the Corporation is bound to the insurance, not for one year now but for three. This does not mean that we should pick only the best farmers for insurance. However, we should have a group that is fairly representative of the county as a whole.

NOW IS THE TIME

If the farmer ever gets in a mood for crop insurance—it's this time of year—or perhaps a little later when the wheat is heading. Then every cloud is a threat to a whole year's work. If the weather stays too wet the wheat may get rust, and if it's too dry the heads are not going to fill. It's an ideal time to talk crop insurance. Our intensive campaign to sell crop insurance will come this summer, but right now is a good time to make wheat growers crop insurance conscious.

All crop insurance indemnities are not paid for damage or loss due to weather conditions.

Food for Freedom must be guaranteed. Insure YOUR wheat.

Posters are no good unless they are posted.

LIABILITY

(Cont'd from page 3)

lationship shall not be considered as interest in an insured crop within the meaning of the 1943 Wheat Crop Insurance Regulations. Accordingly, an automatic transfer of insurance shall not be effected when the interest is acquired as a result of a creditor relationship."

For 1943 due to wartime conditions it will be necessary to sign up more of the farmers in the county office than formerly. The procedure and forms are being prepared earlier this year so more time will be available for this type of solicitation. Some farmers may hesitate more this year than in the past because of the three year contract. The advantages to them of this plan should be pointed out. They are automatically protected for three years. If the yield and rate computed for subsequent years becomes more favorable to them they can sign a new contract and get the benefits. If less favorable they still have insurance on the original basis. The farmer gets the breaks—heads he wins—tails he wins.

Tain't The Weather-- It's The Hogs, Horses

The Corporation recently settled one case in which a farmer lost part of his crop after it was cut and in the stacks when a neighbor's hogs got loose and trampled and ate the grain. The neighbor paid the farmer about 30 bushels and the Corporation later approved the approximate 100 bushel adjustment made with the insured grower by the county committee.

Another case, still pending, involves a loss blamed on horses owned by some Indians. The horses trampled and ate stacked wheat. This case also involved loss due to excessive moisture.

SOUTH DAK. COUNTY FACES HOPPER THREAT

A report on the hopper egg situation in Hand County, S.Dak. indicates that grasshopper damage next summer may be very severe. A survey uncovered 8 to 10 egg pods per square foot in the margins of large fields and 6 to 9 pods in the margins of smaller fields with lesser quantities found per square foot in the fields. Nearly all of the eggs examined were found to be in excellent condition for hatching, only five percent of them being destroyed by blister beetle larvae and other predators.

In an effort to reduce the hopper menace, many Hand County farmers disked, duckfooted, or diskplowed their land last fall. The report adds that "Farmers in the county are urged to communicate with their committeemen to determine which of their fields can be cultivated for grasshopper egg control during the early spring months . . . indications are that field margins should be disked early and thoroughly."

WRITING ILLS

(Cont'd from page 4)

for his farm also are refused. These, too, could be eliminated, the Manager points out if field workers would make sure the farmer understands everything about his contract and is offered a completely filled out application for signature rather than one in blank.

Timely TIPS

Two North Dakota counties used solicitors in a number of their townships during the recently closed campaign and found the results very satisfactory. The Richland County committee reported that although "sales were not completed in all cases, ground was laid for the future. We believe the solicitor method is most satisfactory." One such solicitor averaged 11.5 applications for four days worked.

GRAND FORKS COUNTY, NORTH DAKOTA, FOUND THAT ALL METHODS MUST BE USED FOR SUCCESSFUL PRESENTATION OF THE PROGRAM—MEETINGS, DIRECT MAIL, PERSONAL CONTACTS, AND OFFICE SALES.

A red and green stop and go light was used effectively in the Grand Forks, North Dakota, county office in the last campaign. Placed where it attracted the attention of every farmer entering the office, the changing lights illuminated the phrases: "STOP Crop Hazards" and "Go Sign Up Insurance."

THE PRODUCTION CREDIT ASSOCIATION OF NORTH DAKOTA SENT A LETTER TO ITS 600 MEMBERS IN THAT STATE STRONGLY RECOMMENDING CROP INSURANCE.

Canada—Canada has launched a campaign against the wheat stem sawfly, a major cause of loss to western Canadian wheat growers in 1941.

Canadian agricultural officials have shown great interest in the United States government's crop insurance program, which protects American growers from crop losses caused by such pests.

Dr. C. W. Farstad, Division of Entomology, Canadian Department of Agriculture, who has been in charge of the eradication program since 1931, blames the sawfly for destruction of more than 50 million bushels of 1941 wheat.

BUG ARMY THREATENS

Here are the latest reports on the insect situation from the Bureau of Entomology:

Grasshopper hatching started in parts of Arizona the latter half of February.

Mormon crickets were hatching the second and third weeks in March in Oregon.

Cutworms were doing their usual early season damage as far northward as the Norfolk section of Virginia and the army cutworm was developing in Mason Valley, Nevada.

The green bug outbreak has intensified in Oklahoma and Texas. Heavy infestations have been reported in Mississippi, Virginia, and Georgia.

The chinch bug population in Kansas is reported to be the heaviest recorded in that state.

Much damage has been caused by the Hessian Fly in the eastern third of Kansas and more is anticipated.

Twenty-five thousand questionnaires on types and uses of farm machinery are being summarized by the Bureau of Agricultural Economics.

N. D. DRIVE

(Cont'd from page 3)

Crop insurance explained or called to the attention of cooperators at each of 11 Food for Victory meetings and other meetings. At the Food for Victory meetings a clerk was present to aid cooperators in signing their applications and reviewing the contract with each applicant personally.

"In other words," said Lake, "the crop insurance program was constantly kept before our cooperators. The mailing of applications to absentee owners resulted in the return of a number of applications, apparently to the degree where it merited the work of sending out the applications."

Why is protection NECESSARY?



Dear Mr. Blank:

The enemies of your wheat crop like the military enemies of our country are sneaky and treacherous. They strike without warning and unless you prepare to defend yourself against sudden attack it may be disastrous.

Here are some more reasons why you should have all-risk insurance on your next crop:

1. It guarantees income from either one-half or three-fourths of your average yield.
2. It will cost you little, if anything, over a long-time period because premiums are based on actual risk of growing wheat on your farm and in your county.
3. No immediate cash outlay is required. You can pay for crop insurance at harvest time although the crop is protected from the time it is planted.
4. Crop insurance contracts can be used as security for a loan.
5. In case of crop failure you can get a commodity loan on your indemnity wheat the same as if you actually produced a crop.
6. Insurance gives you financial stability. Financial stability on the farm, more than ever before, is necessary to help produce food to win the war.

Your local county AAA committee will gladly give you more detailed information about the crop insurance program.

Very truly yours,

_____, Chairman

_____, County AAA Committee